



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

Arizona Corporation Commission

DOCKETED

AUG 13 2007

DOCKETED BY

NR

In the matter of

JOHN EDWARD TENCZA and
CHRISTINE M. TENCZA, husband and
wife
2741 West Piazza Drive
Meridian, Idaho 83642

AMERICAN ELDER GROUP, L.L.C., an
Arizona limited liability company
7779 East Nestling Way
Scottsdale, Arizona 85255

AMERICAN ELDER GROUP, INC., a
Nevada corporation fka American
Investment Management Group, Inc., a
Nevada corporation
2050 Russett Way
Carson City, Nevada 89703

PHILLIP ROBERT OHST and MARY
ELIZABETH OHST, husband and wife
1837 West Claremont Street
Phoenix, Arizona 85015

GREGORY GRANT GROH and GAIL A.
GROH, husband and wife,
5237 East Michelle Drive
Scottsdale, Arizona 85254

Respondents.

DOCKET NO. S-20483A-06-0661

DECISION NO. 69776

**ORDER TO CEASE AND DESIST, ORDER
OF RESTITUTION ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME BY: GREGORY
GRANT GROH AND GAIL A. GROH**

Respondents GREGORY GRANT GROH AND GAIL A. GROH ("RESPONDENTS")

elect to permanently waive any right to a hearing and appeal under Articles 11 and 12 of the
Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act") with respect to this Order To

1 Cease And Desist, Order of Restitution, Order for Administrative Penalties and Consent to Same
2 ("Order"). RESPONDENTS admit the jurisdiction of the Arizona Corporation Commission
3 ("Commission"); admit only for purposes of this administrative proceeding and any other
4 administrative proceeding before the Commission the Findings of Fact contained in this Order;
5 agree not to contest the Conclusions of Law contained in this Order in any such proceeding; and
6 consent to the entry of this Order by the Commission.

7 **I. FINDINGS OF FACT**

8 1. GREGORY GRANT GROH ("GROH") whose last known address is 3839 E.
9 Expedition Way, Phoenix, Arizona 85050 at all times material hereto was a resident of Arizona
10 and was not registered as a securities salesperson.

11 2. At all times material hereto, GROH was a licensed attorney in the State of Arizona
12 who practiced law as Gregory G. Groh, J.D., LL.M., organized as a sole proprietorship.

13 3. At all times material hereto, GROH was married to GAIL A. GROH, whose last
14 known address is 3839 E. Expedition Way, Phoenix, Arizona 85050. All action taken by GROH
15 was in furtherance of and for the benefit of the marital community.

16 4. At all times material hereto, JOHN E. TENCZA ("TENCZA") was the founder,
17 sole member, manager, president and a controlling person of AEG, L.L.C., an Arizona limited
18 liability company, and the founder, manager, president, secretary, treasurer, director and a
19 controlling person of AEG, Inc., formerly known as American Investment Management Group, Inc
20 a Nevada corporation. "AEG" hereafter refers to AEG, L.L.C. and AEG, Inc. collectively. At all
21 times material hereto, TENCZA was a resident of Arizona and was licensed to sell insurance in the
22 State of Arizona.

23 5. TENCZA and GROH met in or around 1996 while both were working with
24 American Estate Services.

25 6. GROH possessed contact information for approximately 1,400 individuals for
26 whom he had written and/or reviewed trust documents while working with American Estate

1 Services and Liberty Estate Management. GROH was aware that these individuals had been
2 promised free updates for life on their trust related documents and that many of their documents
3 were in need of updating.

4 7. In 2000, TENCZA approached GROH seeking permission to offer annuities and
5 other insurance products to GROH's clients.¹

6 8. TENCZA and GROH reached an agreement that authorized TENCZA to travel to
7 the homes of GROH's clients to review their trust documents to determine whether any trust work
8 needed to be completed.

9 9. In exchange for a commission on the sale of any product purchased, GROH
10 authorized TENCZA to offer annuities and other insurance products to GROH's clients.

11 10. Pursuant to the agreement with GROH, TENCZA traveled to the homes of GROH's
12 clients and reviewed their trust documents.

13 11. After reviewing the trust documents, TENCZA offered and sold annuities and other
14 insurance products to GROH's clients.

15 12. Sales of annuities and other insurance products to GROH's clients by TENCZA
16 continued up to approximately May 2001.

17 13. In or around May 2001, GROH and TENCZA modified their agreement to allow
18 TENCZA and other AEG salesmen to offer the Universal lease investment ("Universal lease") to
19 GROH's clients in addition to annuities and other insurance products.

20 14. GROH understood AEG's commission to be 10% of the Universal lease sales price
21 and GROH was paid 30-40% of that amount on each sale to one of his clients.

22 15. The Universal lease was designed, promoted and operated by Yucatan Resorts, Inc.
23 ("Yucatan"), along with Yucatan Resorts, S.A. ("Yucatan-S.A.") and involved investments in hotel
24
25

26 ¹ Hereinafter, "GROH's clients" is intended to refer to the approximately 1,400 individuals only for whom GROH
possessed contact information as a result of his work with American Estate Services and Liberty Estate Management.

1 units in Cancun, Mexico and other Central American locales from approximately March 2000 to
2 December 2002.

3 16. Resort Holdings International, Inc. ("RHI") and Resort Holding International, S.A.
4 ("RHI-S.A.") began replacing Yucatan as the primary promoter and operator of the Universal lease
5 timeshare program within the State of Arizona in or around May 2002.

6 17. As part of GROH's agreement with TENCZA to allow the presentation of annuities
7 and the Universal lease to GROH's clients, beginning in 2000 and continuing through at least June
8 2002, a form letter ("the letter") was mailed to all of GROH's clients.

9 18. The letter was printed on GROH's letterhead and included his signature.

10 19. The letter to GROH's clients stated that his office had "received numerous calls, as
11 well as documented reports, concerning issues that may impact the legal effectiveness of your Trust."
12 The letter went on to state that GROH was the attorney who had reviewed the clients' Living Trust
13 when the client had first implemented their Estate Plan. The letter expressed "concern for your
14 security" as the basis for writing a "very important" letter.

15 20. The letter referenced that critical pages from some of the clients' trusts had been
16 removed by individuals who were not affiliated with GROH's office.

17 21. The letter urged clients to call the "client services line" at 480-477-6777 or 1-888-
18 579-1643 to arrange for an appointment with a "paralegal" from GROH's office who would meet the
19 client in their home to review their trust documents. According to the letter, there would be no
20 charge for the review service.

21 22. The letter did not inform GROH's clients that: a) the "paralegals" from GROH's
22 office were TENCZA and other licensed insurance salesmen who would be attempting to sell the
23 Universal lease investment for a commission; b) that the paralegals would not be compensated by
24 GROH for any of the work they performed; c) that GROH did not consider the paralegals from his
25 office to be his employees and d) that the paralegals from his office did not work out of GROH's law
26 office.

1 23. The telephone numbers set forth in the body of the letter to his clients did not connect
2 to GROH's law office, but instead were telephone numbers for AEG offices that were staffed with
3 AEG representatives who answered the phones.

4 24. The letter concluded by setting forth that if the client declined the offer to review their
5 documents or did not respond, GROH would consider the attorney-client relationship to be
6 terminated.

7 25. Nearly 600 of GROH's clients responded to the letter by calling to make an
8 appointment to have their trusts reviewed.

9 26. When meeting with GROH's clients, AEG salesmen presented business cards that
10 included the name of GROH's law office and the salesmen. The telephone numbers printed on the
11 business cards connected to the offices of AEG.

12 27. GROH did not attend any of the in-home appointments set up between his clients and
13 AEG salesmen.

14 28. The review of client trust documents by AEG salesmen included reviewing the assets
15 of GROH's client so that a determination could be made whether the trusts had actually been funded,
16 whether the trust documents were complete and whether any changes had occurred requiring
17 substantive changes to the trust documents.

18 29. GROH authorized AEG to disclose to clients that GROH himself had purchased a
19 Universal lease.

20 30. The amount of GROH's Universal lease investment was \$5,000, the minimum
21 amount permitted under the terms of the Universal lease program.

22 31. AEG paid GROH a total of \$300,998.86 in commission for sales of the Universal
23 lease made to GROH's clients.

24 32. GROH did not directly communicate to any of his clients that he would receive a
25 commission on each sale of the Universal lease to his clients.
26

33. At all times relevant, neither GROH, TENCZA or any AEG salesman were registered as a securities salesman in Arizona nor were they exempt from registration.

34. At all times relevant, the Universal lease investment was not registered as a security nor was it exempt from registration.

II. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. The Universal lease investment was a security within the meaning of A.R.S. §44-1801(26).

3. GROH aided and abetted the offer and sale of securities within or from Arizona, within the meaning of A.R.S. §§44-1801(15), 44-1801(21), and 44-1801(26).

4. GROH violated A.R.S. §44-1841 by aiding and abetting the offer or sale of securities that were neither registered nor exempt from registration.

5. GROH violated A.R.S. §44-1842 by aiding and abetting the offer or sale of securities by persons who were neither registered as dealers or salesmen nor exempt from registration.

6. GROH's conduct is grounds for a cease and desist order pursuant to A.R.S. §44-2032.

7. GROH's conduct is grounds for an order of restitution pursuant to A.R.S. §44-2032.

8. GROH's conduct is grounds for administrative penalties under A.R.S. §44-2036.

III. ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and RESPONDENTS' consent to the entry of this Order, attached and incorporated by reference, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

1 IT IS ORDERED, pursuant to A.R.S. §44-2032, that RESPONDENT GREGORY G.
2 GROH and any of his agents, employees, successors and assigns, permanently cease and desist
3 from violating the Securities Act. GROH shall not sell any securities in or from Arizona without
4 being registered in Arizona as a dealer or salesman, or exempt from such registration. GROH shall
5 not sell securities in or from Arizona unless the securities are registered in Arizona or exempt from
6 registration.

7 IT IS FURTHER ORDERED that RESPONDENTS comply with the attached Consent to
8 Entry of Order.

9 IT IS FURTHER ORDERED, pursuant to A.R.S. §44-2032, that RESPONDENTS shall,
10 pay restitution in the total amount of all sales commissions earned in connection with the sale of
11 the Universal lease in this matter as reflected in the records of the Commission, such restitution
12 shall be in the amount of \$300,998.86. A payment of \$50,000 shall be made on the date of entry
13 of this Order. Any amount outstanding shall accrue interest at the rate of 10% annum from the
14 date of this Order until paid in full. Payment shall be made to the "State of Arizona" to be placed
15 in an interest-bearing account controlled by the Commission. The Commission shall disburse the
16 funds on a pro rata basis to investors shown on the records of the Commission to have purchased a
17 Universal lease from an AEG salesman. Any restitution funds that the Commission cannot
18 disburse because an investor refuses to accept such payment shall be disbursed on a pro-rata basis
19 to the remaining investors shown on the records of the Commission. Any funds that the
20 Commission determines it is unable to or cannot feasibly disburse shall be transferred to the
21 general fund of the State of Arizona. In the event that, while any amount of restitution ordered
22 herein remains unpaid, the restitution ordered in the Matter of Yucatan Resorts, Inc. et. al. (S-
23 03539A-03-0000) is fully paid as set forth in the Final Judgment and Order of Permanent
24 Injunction filed in Maricopa County Superior Court (CV2006-001547), then the remaining balance
25 of restitution only hereunder shall likewise be deemed paid, satisfied, released or discharged.
26

1 IT IS FURTHER ORDERED, pursuant to A.R.S. §44-2036, that RESPONDENTS shall,
2 pay an administrative penalty in the amount of \$75,000. Payment shall become immediately due
3 and payable upon entry of this order. Any amount outstanding shall accrue interest at the rate of
4 10% per annum from the date of this Order until paid in full. The payment obligations for these
5 administrative penalties shall be subordinate to any restitution obligations ordered herein.

6 The failure of a RESPONDENT to comply with any of the terms and conditions contained
7 in this Order, may be deemed in default and at the discretion of the Commission, and not
8 withstanding any agreement for installment payments that may hereafter be entered, the remaining
9 balance of any penalty or restitution shall become immediately due and payable.

10 IT IS FURTHER ORDERED, that if any RESPONDENT fails to comply with this order,
11 the Commission may bring further legal proceedings against that RESPONDENT including
12 application to the Superior Court for an order of contempt.

13 IT IS FURTHER ORDERED that since no findings have been made concerning the
14 conduct of GAIL G. GROH, and since she is named in these proceedings solely to comply with the
15 requirements of A.R.S. §25-215(D), any obligation of GAIL G. GROH hereunder is limited to her
16 interest in the community property that she shares with GREGORY G. GROH.

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IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION


CHAIRMAN

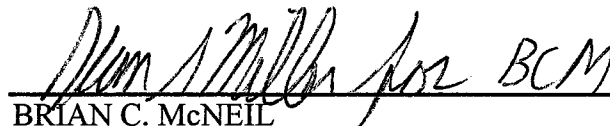

COMMISSIONER


COMMISSIONER


COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
Executive Director of the Arizona Corporation
Commission, have hereunto set my hand and caused the
official seal of the Commission to be affixed at the
Capitol, in the City of Phoenix, this 13th day of
August, 2007.


BRIAN C. McNEIL
Executive Director

DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, Executive Assistant
to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov.

(wwb)

CONSENT TO ENTRY OF ORDER

1
2 1. Respondents GREGORY GRANT GROH AND GAIL A. GROH
3 (“RESPONDENTS”) admit the jurisdiction of the Commission over the subject matter of this
4 proceeding. RESPONDENTS acknowledge that they have been fully advised of their right to a
5 hearing to present evidence and call witnesses and RESPONDENTS knowingly and voluntarily
6 waive any and all rights to a hearing before the Commission and all other rights otherwise
7 available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code.
8 RESPONDENTS acknowledge that this Order To Cease and Desist, Order of Restitution, Order
9 for Administrative Penalties and Consent to Same (“Order”) constitutes a valid final order of the
10 Commission.

11 2. RESPONDENTS knowingly and voluntarily waive any right under Article 12 of the
12 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief
13 resulting from the entry of this Order.

14 3. RESPONDENTS acknowledge and agree that this Order is entered into freely and
15 voluntarily and that no promise was made or coercion used to induce such entry.

16 4. RESPONDENTS acknowledge that they have been represented by an attorney in
17 this matter, that they have reviewed this Order with their attorney, Lindsay Brew, and understand
18 all terms it contains.

19 5. RESPONDENTS admit only for purposes of this proceeding and any other
20 administrative proceeding before the Commission the Findings of Fact set forth in this Order and
21 agree not to contest the Conclusions of Law contained in this Order in any such proceeding.

22 6. By consenting to the entry of this Order, RESPONDENTS agree not to take any
23 action or to make, or permit to be made, any public statement denying, directly or indirectly, any
24 Finding of Fact or Conclusion of Law in this Order or creating the impression that this Order is
25 without factual basis. Notwithstanding the foregoing, this Order is not intended to collaterally
26 estop, factually bind or preclude the RESPONDENTS from defending themselves in any

1 administrative, civil or criminal proceedings to which the Commission is not a party, including, to
2 the extent allowed by law, being permitted to fully explain the facts and potential mitigating
3 circumstances surrounding RESPONDENTS involvement in the sale of the Universal lease.
4 RESPONDENTS will undertake steps necessary to assure that all of their agents and employees
5 understand and comply with this agreement.

6 7. While this Order settles this administrative matter between RESPONDENTS and
7 the Commission and all claims of the Commission against RESPONDENTS arising out of
8 RESPONDENT GREGORY G. GROH's involvement with the offer and sale of the Universal
9 lease within or from the State of Arizona, RESPONDENTS understand that this Order does not
10 preclude the Commission from instituting other administrative or civil proceedings based on
11 violations that are not addressed by this Order.

12 8. RESPONDENTS understand that this Order does not preclude the Commission
13 from referring this matter to any governmental agency for administrative, civil, or criminal
14 proceedings that may be related to the matters addressed by this Order.

15 9. RESPONDENTS understand that this Order does not preclude any other agency or
16 officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal
17 proceedings that may be related to matters addressed by this Order.

18 10. RESPONDENT GREGORY G. GROH agrees that he will not apply to the State of
19 Arizona for registration as a securities dealer or salesman or for licensure as an investment adviser
20 or investment adviser representative for at least one year from the entry date of this Order and until
21 such time as he has complied with all terms and conditions of this Order, including the payment in
22 full of all restitution amounts and administrative penalties promulgated under this Order.

23 11. RESPONDENT GREGORY G. GROH agrees that he will not exercise any control
24 over any entity that offers or sells securities or provides investment advisory services within or
25 from Arizona until such time as all restitution amounts and administrative penalties under this
26 Order are paid in full.

12. RESPONDENTS will continue to cooperate with the Securities Division including, but not limited to, providing complete and accurate testimony at any hearing in this matter.


13. RESPONDENTS acknowledge that the payment of restitution and administrative penalties imposed by the Order is the obligation of GREGORY G. GROH and the marital community of GAIL A. GROH and GREGORY G. GROH.

14. RESPONDENTS consent to the entry of this Order and agree to be fully bound by its terms and conditions.

15. RESPONDENTS acknowledge and understand that if they fail to comply with the provisions of the order and this consent, the Commission may bring further legal proceedings against them, including application to the superior court for an order of contempt.

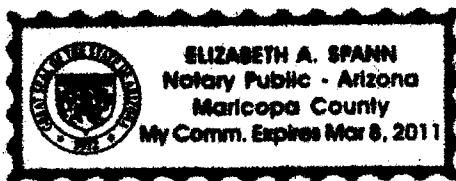
16. RESPONDENTS understand that default shall render them liable to the Commission for its costs of collection and interest at the maximum legal rate.

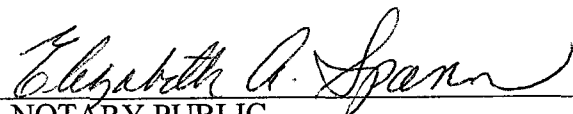

Gregory Grant Groh, a married man


Gail A. Groh, a married woman

STATE OF ARIZONA)
) ss
County of Maricopa)

Personally appeared before me this 24 day of July, 2007 an individual known to me to be Gregory Grant Groh and acknowledged the execution of the foregoing instrument.



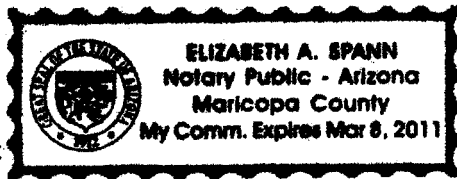

NOTARY PUBLIC

Seal:

STATE OF ARIZONA)
) ss
County of Maricopa)

Personally appeared before me this 24 day of July, 2007 an individual known to me to be
Gail A. Groh and acknowledged the execution of the foregoing instrument.

Seal:



Elizabeth A. Spann
NOTARY PUBLIC